

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

GREAT NORTHERN UTILITIES COMPANY,)	
CAMELOT UTILITIES, INC. and)	Docket No. 11-0059,
LAKE HOLIDAY UTILITIES, INC.)	Docket No. 11-0141,
)	Docket No.11-0142 (cons.)
Petitions for General Increase in Delivery Service)	
Rates)	

Pre-Hearing Memorandum of the People of the State of Illinois

The People of the State of Illinois submit the following Prehearing Memorandum as part of the schedule in these dockets. The key issues presented by the rate increase requests of Great Northern Utilities Co., Camelot Utilities, and Lake Holiday Utilities, Inc. are whether the Companies have demonstrated that the sudden, extraordinarily large increase in revenues requested in these dockets have been justified as “just and reasonable” under Section 9-201 of the Public Utilities Act, and whether the Commission should reduce the size of the requested increases to avoid rate shock to consumers. Each utility will be addressed separately below:

1. Great Northern. The Company and the Staff testify for a revenue increase of 255%. Staff Ex. 10.00, Sch. 10.01 GN. The issues before the Commission include whether the Company has met its burden of proof to demonstrate that rate increases of this level are just and reasonable, and has adequately explained the reasons for this sudden, huge increase, how the Company operated at revenues that were 28% of the amount requested since 2009, the substantial charges allocated to Great Northern, rate case expense, cost of capital, and other revenue requirement issues. Other issues are whether the rates resulting from a rate increase of this magnitude will result in rate

shock and so must be reduced to comport with the fundamental rate principles of gradualism, rate continuity, and public acceptance.

2. Camelot Water and Sewer. The Company and the Staff testify for a revenue increase of 187.29% for water service and 80.34% for sewer service. Staff Ex. 10.00, Sch. 10.01 CW & 10.01 CS. The issues before the Commission include whether the Company has met its burden of proof to demonstrate that rate increases of this level are just and reasonable, and has adequately explained the reasons for this sudden, huge increase, how the Company operated at revenues that were 55% of the amount requested since 2009, the substantial charges allocated to Camelot water and sewer service, rate case expense, cost of capital, water quality and other revenue requirement issues. Another major issue is whether the rates resulting from a rate increase of this magnitude will result in rate shock and so must be reduced to comport with the fundamental rate principles of gradualism, rate continuity, and public acceptance.
3. Lake Holiday. Although less than the other two companies, the Company and the Staff testify for a rate substantial water revenue increase of 48.68%. Staff Ex. 10.00, Sch. 10.01 LH. The issues before the Commission include whether the Company has met its burden of proof to demonstrate that rate increases of this level are just and reasonable, and has adequately explained the reasons for this sudden, huge increase, how the Company operated at revenues that were 67.9% of the amount requested since 2009, the substantial charges allocated to Lake Holiday, rate case expense, cost of capital, and other revenue requirement issues. A second major issue is whether the rates resulting from a rate increase of this magnitude will result in rate shock and

so must be reduced to comport with the fundamental rate principles of gradualism,
rate continuity, and public acceptance.

4. The People reserve the right to address issues raised by the evidence in the record and evidence produced or developed on cross-examination.

Respectfully submitted,

People of the State of Illinois
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